

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

| | | |
|-------------------------|---|-----------------------------|
| In re: |) | |
| |) | Case No. 17bk10230 |
| ANTHONY M. MONTEMURRO , |) | |
| VIRGINIA J. MONTEMURRO, |) | Chapter 11 |
| |) | |
| Debtors. |) | Honorable Timothy A. Barnes |
| |) | |

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER
AWARDING TO WALDEN INVESTMENT GROUP, PREPETITION RECEIVER FOR
DEBTORS, FOR ALLOWANCE OF ADMINISTRATIVE CLAIM AND PAYMENT OF
FINAL COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
RECEIVERSHIP SERVICES [DKT. NO. 71]

| | | | |
|-----------------------|--------------|------------------------|--------------|
| TOTAL FEES REQUESTED: | \$ 20,262.50 | TOTAL COSTS REQUESTED: | \$ 96,821.68 |
| TOTAL FEES REDUCED: | \$ 3,154.50 | TOTAL COSTS REDUCED: | \$ 1,486.74 |
| TOTAL FEES ALLOWED: | \$ 17,108.00 | TOTAL COSTS ALLOWED: | \$ 95,344.94 |

TOTAL FEES AND COSTS ALLOWED: \$ 112,452.94

The above total is an allowed claim under 11 U.S.C. § 503(b)(3)(E). The attached time and expense entries have been underlined to reflect disallowance in whole or in part. The basis for each disallowance is reflected by numerical notations that appear on the left of each underlined entry. The numerical notations correspond to the enumerated paragraphs below.

(1) Unreasonable Time – TOTAL of disallowed amounts: \$ 1,630.00

The Court denies the allowance in part of compensation for the indicated task(s) since the professional or paraprofessional expended an unreasonable amount of time on the task(s) in light of the nature of the task(s), the experience and knowledge of the professional performing the task(s), and the amount of time previously expended by the professional or another on the task(s). *In re Pettibone*, 74 B.R. 293, 306 (Bankr. N.D. Ill. 1987) (Schmetterer, J.) (“The Court will determine what is the reasonable amount of time an attorney should have to spend on a given project... An attorney should not be rewarded for inefficiency. Similarly, attorneys will not be fully compensated for spending an unreasonable number of hours on activities of little benefit to the estate.”); *In re Wildman*, 72 B.R. 700, 713 (Bankr. N.D. Ill. 1987) (Schmetterer, J.) (same).

(2) Lumping – TOTAL of disallowed amounts (10% of affected entries): \$ 717.00

The Court may impose a ten percent penalty on entries that appear to be “lumping.” The Court will reduce each entry marked as such per the penalty. *In re Wildman*, 72 B.R. 700, 709 (Bankr. N.D. Ill. 1987) (Schmetterer, J.) (“Applicants may not circumvent the minimum time requirement or any of the requirements of detail by “lumping” a bunch of activities into a single entry. [citation omitted]. Each type of service should be listed with the corresponding specific time allotment.”).

(3) Improper Time Increments for Billing – TOTAL of disallowed amounts: \$ 807.50

The court may impose a ten percent penalty for using improper time increments for billing. “Professional persons . . . cannot, in all honesty and reasonableness, charge their clients for increments in excess of one-tenth of an hour.” *In re Wildman*, 72 B.R. 700, 726 (Bankr. N.D. Ill. 1987) (Schmetterer, J.). This penalty will be imposed where time increments larger than one-tenth of an hour are being used. For example, applicants who bill time using quarter-hour increments risk the ten percent penalty.

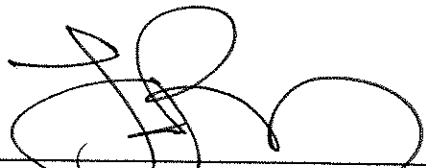
(4) Overhead Costs are Non-Compensable – TOTAL of disallowed amounts: \$ 661.38

The Court denies reimbursement for fees or expenses that are overhead costs. Expenses which are overhead are not compensable because they are built into the hourly rate. *See In re Wildman*, 72 B.R. 700, 731 (Bankr. N.D. Ill. 1987) (Schmetterer, J.). Overhead, for bankruptcy purposes, includes “all continuous administrative or general costs or expenses incident to the operation of the firm which cannot be attributed to a particular client or cost.” *In re Convent Guardian Corp.*, 103 B.R. 937, 939-40 (Bankr. N.D. Ill. 1989) (Sonderby, J.) (*quoting In re Thacker*, 48 B.R. 161, 164 (Bankr. N.D. Ill. 1985) (Toles, J.)).

(5) Outside of the Scope of 11 U.S.C. § 503(b)(3)(e) – TOTAL of disallowed amounts: \$ 705.36

Outside of the scope of 11 U.S.C. § 503(b)(3)(E). The expense of counsel must be sought under section 11 U.S.C. § 503(b)(4).

Dated: May 16, 2018



Timothy A. Barnes
United States Bankruptcy Judge

Walden Investments Group, LLC

4007 S Wabash Avenue
Chicago, IL 60653
Phone: 773-855-8575
Fax: 773-855-8578The City of Chicago, a municipal corporation,
PLAINTIFF

Case No. 13 M 402611

v.

Re: 4300 W. Berteau, Chicago, IL

FIRST NATIONS BANK et al,
DEFENDANT(s)**For Receivership Services Rendered - ACCOUNTING/ADMINISTRATIVE ("ACCT")**

| <u>Task</u> | <u>Date</u> | <u>Services</u> | <u>Init</u> | <u>Hours</u> | <u>Amount</u> |
|---------------------|-------------|---|-------------|--------------|---------------|
| ACCT (2) Lumping | 09/28/2015 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 10/29/2015 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 11/30/2015 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 12/29/2015 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 01/14/2016 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 01/22/2016 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 02/19/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and prepared Receiver's Report to submit to court. | CR | 3.50 | \$ 525.00 |
| ACCT (2) Lumping | 02/29/2016 | Entered bills, paid bills, printed checks, posted checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | CR | 0.50 | \$ 75.00 |
| ACCT (2) Lumping | 03/24/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and prepared | CR | 0.50 | \$ 75.00 |

Receiver's Report to submit to court.

| | | | | | | | |
|------|------------|---|----|------|----|-------------------|--|
| ACCT | 03/25/2016 | Prepared Receiver's Report and summary of accounting to submit to court. | CR | 2.50 | \$ | 375.00 | (1) Unreasonable — 2.0 \$300 \$150 |
| ACCT | 05/26/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report. Same Description | CR | 0.30 | \$ | 45.00 | |
| ACCT | 06/17/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and prepared Receiver's Report to submit to court. | CR | 2.00 | \$ | 300.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 07/15/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report. | CR | 0.30 | \$ | 45.00 | |
| ACCT | 07/22/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and prepared Receiver's Report to submit to court. | CR | 2.00 | \$ | 300.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 09/30/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills and organized receivers records in preparation for Receiver's Report | AW | 0.30 | \$ | 45.00 | |
| ACCT | 10/31/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills. Reviewed legal bills. | AW | 0.50 | \$ | 75.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 11/15/2016 | Contacted attorney and forwarded copies of records/documents to him. Reviewed receiver's records/documents. | AC | 0.30 | \$ | 45.00 | |
| ACCT | 11/30/2016 | Entered bills, paid bills, printed checks, mailed out checks and/or called contractors to pick up checks, filed paid bills. Reviewed legal bills. | AW | 0.50 | \$ | 75.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 12/01/2016 | Reviewed paperwork for missing document request from attorney. | AC | 0.30 | \$ | 45.00 | |
| ACCT | 12/28/2016 | Reviewed legal bills. Entered and paid legal bills. | AW | 1.00 | \$ | 150.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 01/03/2017 | Prepared email from Manager to attorney. | AC | 1.00 | \$ | 150.00 | (1) Unreasonable — .30 \$40 |
| ACCT | 01/04/2017 | Management meeting regarding property file. | AC | 0.80 | \$ | 120.00 | |
| ACCT | 02/08/2017 | Organized final receivers report to submit to court. | AC | 4.00 | \$ | 600.00 | (1) Unreasonable 2.0 \$300 |
| ACCT | 02/14/2017 | Organized and completed receiver's final accounting | AC | 4.00 | \$ | 600.00 | (1) Unreasonable 2.0 \$300 |

TOTAL \$ FOR ACCOUNTING/ADMINISTRATIVE = \$ 4,095.00

Walden Investments Group, LLC

4007 S Wabash Avenue
Chicago, IL 60653
Phone: 773-855-8575
Fax: 773-855-8578

The City of Chicago, a municipal corporation,
PLAINTIFF

Case No. 13 M 402611

v.

Re: 4300 W. Berteau, Chicago, IL

FIRST NATIONS BANK et al,
DEFENDANT(s)

For Receivership Services Rendered - COURT APPEARANCE ("CA")

Receiver did NOT charge for fuel, parking or travel time to courthouse

| Task | Date | Services | Init | Hours | Amount |
|--|------------|--|------|-------|-----------|
| CA (3) Improper Time Increments | 09/14/2015 | Appeared in court and was appointed as limited receiver and ordered to: keep property vacant and secure; remove junk, debris and rubbish from the lot; keep exterior lights functioning; paint over graffiti; obtain demolition bids; arrange for interior inspection with Department of Buildings before next court date. Case continued for status on September 28, 2015. | HW | 1.00 | \$ 175.00 |
| CA (3) Improper Time Inc. | 09/28/2015 | Appeared in court and all previous orders were extended. Case continued for status on October 19, 2015. | HW | 1.00 | \$ 175.00 |
| CA (3) Improper Time Inc. | 10/19/2015 | Appeared in court and appointed as general receiver and ordered to: demolish building on property; engage Leeway Wrecking to begin mobilization for the demolition of the building and removal of all building debris; follow-up with environmental inspection and results from Bain Environmental (owner/defendant's choice of environmental company). Case was continued to November 2, 2015. | HW | 1.00 | \$ 175.00 |
| CA (3) Improper Time Inc. | 11/02/2015 | Appeared in court and was ordered to: keep the property vacant and secure; obtain environmental survey; obtain an asbestos inspection from Perception Environmental Inc. (receiver's choice of environmental company), as Bain Environmental (owner/defendant's choice of environmental company) did not submit a report and did not respond to any call; proceed with demolition permits to demolish the building. Case continued for status on January 11, 2016. | HW | 1.00 | \$ 175.00 |
| CA (3) Improper Time Inc. | 01/11/2016 | Appeared in court for status and ordered to: keep property vacant and secure; arrange for interior inspection with the Department of Buildings before the next court date. Case continued for status on February 29, 2016. | HW | 0.50 | \$ 87.50 |

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|--------------------------|------------|---|----|------|----|--------|
| CA | 02/09/2016 | Appeared in court for Emergency Motion by owner (defendant) for sale of property and order for demolition stayed to next court date. Ordered to: keep property vacant and secure; keep exterior lights lit. Receiver to present accounting at next court date. City's petition for judgment entered on May 18, 2015 for \$20,000 is entered and continued. Case continued to February 22, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 02/22/2016 | Appeared in court for status and ordered to: keep property vacant and secure; keep the exterior lights lit. Demolition stayed over City's objection for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Case continued for status on March 14, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 03/14/2016 | Appeared in court for status and ordered to: keep property vacant and secure; keep the exterior lights on; demolition stayed for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Case continued for status on March 28, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 03/25/2016 | Preparation for court appearance: Conferred with Attorney regarding for case status on March 28, 2016. | HW | 0.50 | \$ | 87.50 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 03/28/2016 | Appeared in court as for status and ordered to: keep property vacant and secure; keep the exterior lights on; demolition stayed for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Court continued for status on April 25, 2016. | CR | 1.00 | \$ | 150.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 04/25/2016 | Appeared in court for status and ordered to: keep property vacant and secure; keep the exterior lights on; demolition stayed for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Case continued for status on June 20, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 06/17/2016 | Preparation for court appearance: Conferred with Attorney regarding case status and court appearance on June 20, 2016. | HW | 0.50 | \$ | 87.50 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 06/20/2016 | Appeared in court for status and ordered to: keep property vacant and secure; keep the exterior lights on; demolition stayed for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Case continued for status on July 25, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 07/19/2016 | Preparation for court appearance: Conferred with Attorney regarding case status and court appearance on July 25, 2016. | HW | 0.50 | \$ | 87.50 |
| (3) Imp. Time Inc. | | | | | | |
| CA | 07/25/2016 | Appeared in court for status and ordered to: keep property vacant and secure; keep the exterior lights on; keep exterior lot clean; demolition stayed for sale of property to Orchard St. (Mr. Rosensweig) to next court date. Case continued for status on August 22, 2016. | HW | 1.00 | \$ | 175.00 |
| (3) Imp. Time Inc. | | | | | | |

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|---|------------|--|----|------|----|---------------|
| CA (3) <u>Imp.</u> <u>Time</u> <u>Inc.</u> | 08/22/2016 | Appeared in court for status and ordered to: keep property vacant and secure; hire electrician to repair exterior lights; demolition stayed for sale of property to Orchard St. (Mr. Rosenwein) to next court date. Court and parties notified that receiver's fees exceed \$50,000. Ordered to spend up to \$5,000 to repair non-working electric and pump out water from flooded basement. Arrange for interior inspection with Department of Buildings before next court date. Case continued for status on September 19, 2016. | HW | 1.00 | \$ | <u>175.00</u> |
| CA (3) <u>Imp.</u> <u>Time</u> <u>Inc.</u> | 09/19/2016 | Appeared in court for status and ordered to: demolish the building as of October 10, 2016 (demolition order reinstated). Ordered to add more lighting or make existing lights brighter. Case continued for status on October 17, 2016. | HW | 1.00 | \$ | <u>175.00</u> |
| CA (3) <u>Imp.</u> <u>Time</u> <u>Inc.</u> | 10/17/2016 | Appeared in court for status. Defendant's stay of demolition authority was granted over City's objection through October 31, 2016. All prior orders further extended. Case continued for status on October 31, 2016. | HW | 1.00 | \$ | <u>175.00</u> |
| CA (3) <u>Imp.</u> <u>Time</u> <u>Inc.</u> | 10/31/2016 | Appeared in court for status and ordered to: demolish building immediately and given authority to hire a tax cutting attorney to file an action to reduce real estate tax liability and redeem back taxes. Case continued for status on November 14, 2016. | HW | 1.00 | \$ | <u>175.00</u> |
| CA (3) <u>Imp.</u> <u>Time</u> <u>Inc.</u> | 11/14/2016 | Appeared in court for status and First Nations Bank (a Defendant) was dismissed without prejudice. Case continued for status on December 12, 2016. | HW | 1.00 | \$ | <u>175.00</u> |

TOTAL \$ FOR COURT APPEARANCES = \$ 3,125.00

Walden Investments Group, LLC

4007 S Wabash Avenue
Chicago, IL 60653
Phone: 773-855-8575
Fax: 773-855-8578

The City of Chicago, a municipal corporation,
PLAINTIFF

Case No. 13 M 402611

v.

Re: 4300 W. Berteau, Chicago, IL

FIRST NATIONS BANK et al,
DEFENDANT(s)

For Receivership Services Rendered - CONTRACT NEGOTIATION AND PERFORMANCE ("CNP")

| Task | Date | Services | Init | Hours | Amount |
|------|-----------------------|--|------|-------|----------------------|
| CNP | 09/19/2015 | Met with Derbo Construction at property* to request services for: garbage and debris removal, window and door board ups, window guard repairs, graffiti removal, where to put new electric lights, fence and screen repairs, install padlocks as needed and move scrap lumber and secure it. <i>(3) Improper Time Increments</i> | HW | 1.50 | \$ 262.50 |
| | | *HW's time is only listed here (CNP) NOT as an inspection (INSP) | | | |
| CNP | 09/25/2015 | Met with Derbo Constructin at property* to inspect performance of work: inspected boarded up doors and windows; guards on windows; painted over graffiti; new electric lights on first floor windows; newly repaired fence and screens; ensured that working padlocks were in place; scrap lumber was piled and securely covered; and made sure the property was free of any garbage or debris. <i>(3) Improper Time Increments</i> | HW | 1.00 | \$ 175.00 |
| | | *HW's time is only listed here (CNP) NOT as an inspection (INSP) | | | |
| CNP | 09/25/2015 | Contacted three demolition contractors to obtain demolition bids. | HW | 0.80 | \$ 140.00 |
| CNP | <i>(3)</i> 10/05/2015 | Reviewed three demolition bids. | HW | 1.00 | \$ 175.00 |
| CNP | 11/02/2015 | Telephone call to Perception Environmental Inc. to obtain proposal for environmental survey and report. | HW | 0.30 | \$ 52.50 |
| CNP | 11/09/2015 | Telephone call to Perception Environmental Inc. to engage services for environmental/asbestos survey and report. | HW | 0.30 | \$ 52.50 |
| CNP | 11/09/2015 | Telephone call to Taylor Development Inc. to request proposal to obtain City of Water Dept. permit for water service cut off; CDOT permit for street cut and restoration, materials and labor | HW | 0.30 | \$ 52.50 |
| CNP | <i>(3)</i> 11/10/2015 | Telephone call to Perception Environmental Inc. to discuss | HW | 0.50 | \$ 87.50 |

questions that arose during site visit. Reviewed and directed with Weitzman&Powers Ltd (in-house attorney).

| | | | | | |
|-----|----------------|--|----|---------|-------------------|
| CNP | (3) 11/30/2015 | Conferred with Realtor (Mark Buckner), Howard Powers and Arden Weitzman for meeting with Alderman Laurino , Gail Blitz (Chief of Staff) and to discuss problematic property. | HW | 2.00 \$ | 350.00 |
| CNP | (3) 11/30/2015 | Met with Alderman Laurino , Gail Blitz (Chief of Staff), and Howard Powers to discuss all of the area complains from neighbors and status of the property. | HW | 1.00 \$ | 175.00 |
| CNP | (3) 01/04/2016 | Telephone call to Taylor Development Inc. for status report on permits and estimated date for work to commence. | HW | 0.50 \$ | 87.50 |
| CNP | (3) 01/04/2016 | Telephone call to Perception Environmental Inc. for status report on asbestos abatement. | HW | 0.50 \$ | 87.50 |
| CNP | (3) 01/14/2016 | Met with Leeway Wrecking to discuss status and estimated demolition start date. Released partial payment for permits and down payment on contract. | HW | 1.00 \$ | 175.00 |
| CNP | 06/21/2016 | Conferred with Howie Powers regarding the status of the scrap lumber and determined it would be removed. | AW | 0.30 \$ | 45.00 |
| CNP | 07/19/2016 | Contacted Derbo Construction to schedule time to replace burned out/broken exterior lights. | CR | 0.30 \$ | 45.00 |
| CNP | (3) 08/01/2016 | Contacted ComEd regarding power issue. ComEd found no issue on their end. | CR | 0.50 \$ | 75.00 |
| CNP | (3) 09/01/2016 | Contacted Taylor Development Inc. to discuss problem with electrical power to building, evaluate extent of building electrical repairs and pump water from flooded basement not to exceed \$5,000.00 as ordered. | HW | 1.00 \$ | 175.00 |
| CNP | (3) 09/02/2016 | Met with Taylor Development at property* to research the electric problem. *HW's time is only listed here(CNP) NOT as an inspection (INSP) | HW | 1.00 \$ | 175.00 |
| CNP | (3) 09/15/2016 | Contacted Taylor Development to discuss water service cut-off and updated permit. | HP | 0.50 \$ | 75.00 |
| CNP | 09/16/2016 | Contacted Taylor Development to schedule a visit the property due to continuing electrical issue. | CR | 0.30 \$ | 45.00 |
| CNP | (3) 09/19/2016 | Contacted ComEd with property information per electric problem. | CR | 0.50 \$ | 75.00 |
| CNP | (3) 09/19/2016 | Contacted Taylor Development for electrical repair including | HW | 1.00 \$ | 175.00 |

expenditures for Taylor Development to repair power to the building and pump water from flooded basement.

| | | | | | | |
|-------------------------------|------------|---|----|------|----|-------------------|
| CNP (3) <i>Imp. Time Inc.</i> | 09/20/2016 | Contacted ComEd and Taylor Development to follow up with additional information needed for corrective actions to restore electric; service appointment; new account establishment for continued service after needed repairs from pole to building. Coordinated with Manager. | CR | 2.00 | \$ | 300.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 09/20/2016 | Coordinated with ComEd and office staff to schedule a site visit by a HW ComEd technician for repair assistance. Established new account before any assistance scheduled. | | 3.00 | \$ | 525.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 09/22/2016 | Discussed Taylor Development's report with Howard Weitzman regarding water in flooded basement and obtained approval to pump out. | CR | 0.50 | \$ | 75.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 10/15/2016 | Met with Taylor Development at property* to review work. Found all electric lights in working order. Checked contractor's performance and progress of water service cut-off between street and building due to incorrect measurements given to him by City of Chicago. *HW's time is only listed here (CNP) NOT as an inspection (INSP) | HW | 1.00 | \$ | 175.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 10/17/2016 | Contacted Leeway Wrecking to get permit updated if necessary and arrange re-mobilization of equipment and crew due the stayed demolition. Negotiations regarding change in contract costs of re-mobilization due to length of time between original agreement dated December 16, 2015 and next scheduled court hearing of October 31, 2016. | HW | 1.00 | \$ | 175.00 |
| CNP | 10/31/2016 | Contacted Leeway Wrecking and informed him to begin demolition immediately. Contacted Thompson Coburn LLP to file action to reduce real estate tax liability. | HW | 0.00 | \$ | - |
| CNP (3) <i>Imp. Time Inc.</i> | 11/07/2016 | Arrived at property* to inspect Leeway Wrecking's performance and progress of the fence barrier installation the demolition job. Parital demolition of the building's front wall had occurred. *HW's time is only listed here (CNP) NOT as an inspection (INSP) | HW | 1.00 | \$ | 175.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 11/11/2016 | Arrived at property* to inspect Leeway Wrecking's performance and progress of the demolition job. Talked with owner of adjacent single family house to the North next to the temporary fence to address any proplems and/or concerns. *HW's time is only listed here (CNP) NOT as an inspection (INSP) | HW | 1.00 | \$ | 175.00 |
| CNP (3) <i>Imp. Time Inc.</i> | 11/13/2016 | Arrived at property* first thing in the morning to inspect Leeway Wrecking's performance and progress of the demolition job. | HP | 1.00 | \$ | 150.00 |

*HP's time is only listed here (CNP) NO as an inspection (INSP)

(3) *Imp. Time Inc.*
CNP 11/13/2016 Arrived at property* in the evening to inspect Leeway Wrecking's performance and progress of the demolition job. HW 1.00 \$ ~~175.00~~

*HW's time is only listed here (CNP) NOT as an inspection (INSP)

(3) *Imp. Time Inc.*
CNP 11/18/2016 Arrived at property* to inspect Leeway Wrecking's performance and progress of the demolition job. HW 1.00 \$ ~~175.00~~

*HW's time is only listed here (CNP) NOT as an inspection (INSP)

(3) *Imp. Time Inc.*
CNP 11/30/2016 Arrived at property* to inspect Leeway Wrecking's performance and progress of the demolition job and take photos. HW 1.00 \$ ~~175.00~~

*HW's time is only listed here (CNP) NOT as an inspection (INSP)

(3) *Imp. Time Inc.*
CNP 12/03/2016 Arrived at property* to inspect Leeway Wrecking's performance and completion of demolition job and made sure the street opening for water service cut-off was properly closed and leveled per the City of Chicago Standards. There was still more work to complete. HW 1.00 \$ ~~175.00~~

*HW's time is only listed here (CNP) NOT as an inspection (INSP)

(3) *Imp. Time Inc.*
CNP 12/10/2016 Arrived at property* to inspect Leeway Wrecking's performance and completion of demolition job, proper street closure and leveling. all work was complete and satisfactory. HW 1.00 \$ ~~175.00~~

*HW's time is only listed here (CNP) NOT as an inspection (INSP)

CNP 02/13/2017 Corresponded with attorney engaged to file action to reduce real estate tax liability. HP 0.30 \$ 45.00

TOTAL \$ FOR CONTRACT NEGOTIATIONS AND PERFORMANCE =

\$ 5,427.50

Walden Investments Group, LLC

4007 S Wabash Avenue
Chicago, IL 60653
Phone: 773-855-8575
Fax: 773-855-8578

The City of Chicago, a municipal corporation,
PLAINTIFF

Case No. 13 M 402611

Re: 4300 W. Berteau, Chicago, IL

v.
FIRST NATIONS BANK et al,
DEFENDANT(s)

FOR RECEIVERSHIP SERVICES RENDERED - Inspection* ("INSP")***Fuel and travel time to property NOT included**

| Task | Date | Services | Init | Hours | Amount |
|-----------------------------|------------|--|------|-------|-----------|
| Inspection (INSP) defined = | | <p>Walden Investment Group, LLC (the "Receiver") performed the following inspections listed on this spreadsheet to comply with the court's orders. The court orders stated that Receiver was to "keep the subject property vacant and secure; remove all junk, debris and rubbish; keep exterior lights functioning; paint over graffiti, demolish the property..." throughout the entire case (13MI402611).</p> <p>When Receiver was first ordered to manage the property in 2015 the building was uninhabitable; part of the roof was collapsed; vagrants were accessing in the building; the building and property were being used by unauthorized individuals for narcotic use and/or sales and sexual activity (drug paraphernalia and prophylactics were found). The alderman received numerous complaints from the surrounding residences (mostly single family homes) continuously since 2013 regarding the same. In 2013 the City of Chicago (the "City") originally filed its case in administrative court which was elevated to the Cook County Circuit Court. As a result of the court hearings and discussions with the Alderman and her chief of staff, it was imperative that Receiver make frequent visits to the property to fulfill its receivership duties and obligations.</p> <p>Furthermore, the court would send an inspector from City's Department of Buildings to inspect the interior of the building and the inspector could report to the court how the Receiver was complying with its orders. Accordingly, Receiver was obligated to perform frequent visits throughout the receivership to make sure the property was maintained, unauthorized individuals and activities were not present and establish a safe, secure and clean environment for anyone around the property.</p> <p>Receiver's inspections consisted of the following:</p> <ul style="list-style-type: none"> *walking the perimeter of the approximately 8,000 sq. ft. property and the adjacent alley to make sure there were no vagrants or unauthorized individuals loitering, conducting drug deals, performing sexual acts, etc., *picking up and disposing of any debris and rubbish (used beer cans, liquor bottles, trash, etc.), *performing regular and seasonal property maintenance including but not limited to trimming the lawn/bushes, raking up the dead leaves, plowing the snow, * checking all boarded up doors and windows to make sure there were no signs of breach or forced entry, * entering the first half of the building through the back entrance (if there was any sign of breach) to inspect the basement, two first floor apartments and two second floor apartments, * exiting and re-securing first entrance, * entering the second half of the building through the other back entrance to inspect two first floor apartments and two second floor apartments, * analyzing the collapsed roof in part of the second floor making sure the condition did not get worse, | | | |
| GRD-INSP | 09/19/2015 | Inspection performed as defined above. | HP | 0.80 | \$ 120.00 |
| See CNP | 09/19/2015 | HW's time at property is listed under Contract Neg&Performance | HW | | \$ - |



(CNP) spreadsheet because he met with a Contractor, Derbo Construction, to review scope of work to be performed.

| | | | | | |
|------------------|------------|---|----|---------|-------------------|
| See CNP | 09/25/2015 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because he met with a Contractor, Derbo Construction, to review performance of the work. | HW | \$ | - |
| INSP | 09/30/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP | 10/02/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP (2) Lumping | 10/09/2015 | Inspection performed as defined above. Property maintenance required due to cleaning up piles of fall leaves and/or trash. | HP | 1.50 \$ | 225.00 |
| INSP | 10/15/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP | 10/23/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP | 11/05/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP (2) Lumping | 11/18/2015 | Inspection performed as defined above. Property maintenance required due to cleaning up piles of fall leaves and/or trash. | HP | 1.50 \$ | 225.00 |
| INSP (2) Lumping | 11/29/2015 | Inspection performed as defined above. In addition, noticed an abandoned vehicle (van) in front of the building. Reported it to police and filed an Event Report #07543. Police refused to tow vehicle. | HW | 2.00 \$ | 350.00 |
| INSP (2) Lumping | 12/04/2015 | Inspection performed as defined above. In addition, noticed abandoned vehicle (van) still in front of the building. Called police to request tow. | HW | 1.00 \$ | 175.00 |
| INSP | 12/16/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP (2) Lumping | 12/29/2015 | Inspection performed as defined above. Property maintenance required due to shoveling the snow and picking up trash. | HP | 2.30 \$ | 345.00 |
| INSP | 01/12/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP (2) Lumping | 01/20/2015 | Inspection performed as defined above. Property maintenance required due to cleaning up trash. | HP | 1.00 \$ | 150.00 |
| INSP | 02/03/2015 | Inspection performed as defined above. | HP | 0.80 \$ | 120.00 |
| INSP (2) Lumping | 02/15/2016 | Inspection performed as defined above. Property maintenance required due to shoveling the snow and | HP | 2.00 \$ | 300.00 |

picking up trash.

| | | | | | | |
|------------------|------------|---|----|------|----|--------|
| INSP | 02/23/2016 | Inspection performed as defined above. | HP | 0.80 | \$ | 120.00 |
| INSP (2) Lumping | 03/02/2016 | Inspection performed as defined above. Property maintenance required due to cleaning up trash. | HP | 2.00 | \$ | 300.00 |
| INSP (2) Lumping | 03/11/2016 | Inspection performed as defined above. Property maintenance required due to cleaning up trash. | HP | 1.50 | \$ | 225.00 |
| INSP (2) Lumping | 03/19/2016 | Inspection performed as defined above. In addition, found barriers that Receiver placed to restrict access to property were missing. Called to obtain replacements barriers. Also, investigated damage to the west parapet wall due to recent high winds. | HW | 3.00 | \$ | 525.00 |
| INSP (2) Lumping | 03/24/2016 | Inspection performed as defined above. Property maintenance required due to cleaning up trash. | HP | 1.50 | \$ | 225.00 |
| INSP | 04/05/2016 | Inspection performed as defined above. | HP | 0.80 | \$ | 120.00 |
| INSP (2) Lumping | 04/15/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |
| INSP | 04/24/2016 | Inspection performed as defined above. | HW | 1.00 | \$ | 175.00 |
| INSP (2) Lumping | 04/30/2016 | Inspection performed as defined above. More property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |
| INSP (2) Lumping | 05/16/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |
| INSP (2) Lumping | 05/30/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |
| INSP (2) Lumping | 06/06/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |
| INSP (2) Lumping | 06/25/2016 | Inspection performed as defined above. Property maintenance required due to removing scrap lumber. | HP | 3.00 | \$ | 450.00 |
| INSP (2) Lumping | 07/01/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ | 150.00 |

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|------------------|------------|---|----|------|-----------|
| INSP (2) Lumping | 07/11/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. | HP | 1.00 | \$ 150.00 |
| INSP (2) Lumping | 07/17/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. Noticed lights were not functioning and informed Howard Weitzman. | HP | 1.50 | \$ 225.00 |
| INSP (2) Lumping | 07/17/2016 | Inspection performed as defined above. Investigated property's light fixtures and visible electric line to determine the electric issue. Could not resolve the issue. | HW | 1.00 | \$ 175.00 |
| INSP (2) Lumping | 07/18/2016 | Inspection performed as defined above. Investigated property's electric issue. Could not resolve the issue. | HW | 1.00 | \$ 175.00 |
| INSP (2) Lumping | 08/01/2016 | Inspection performed as defined above. Property maintenance required due to trimming areas of the lawn and cleaning up trash. Still investigating electric issue. Informed the office to contact ComEd regarding no power. | HP | 1.00 | \$ 150.00 |
| INSP (2) Lumping | 08/17/2016 | Inspection performed as defined above. Investigated property's electric issue. Could not resolve issue. | HW | 1.00 | \$ 175.00 |
| See CNP | 09/02/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because he met with a Contractor, Taylor Development, to research the electric issue. | HW | | \$ - |
| INSP | 09/15/2016 | Inspection performed as defined above. Noted still an electric issue. Contacted Taylor Development to discuss electric issue and to confirm is coordinating the water service cut-off and permit update in preparation for the demolition of the building. | HP | 0.50 | \$ 75.00 |
| INSP (2) Lumping | 09/19/2016 | Inspection performed as defined above. Recorded all electric meter numbers at the request of ComEd. | HP | 1.00 | \$ 150.00 |
| INSP (2) Lumping | 09/30/2016 | Inspection performed as defined above. Confirmed that every electrical light was working properly. | HP | 1.00 | \$ 150.00 |
| INSP (2) Lumping | 10/04/2016 | Inspection performed as defined above. Confirmed that every electrical light was working properly. | HP | 1.00 | \$ 150.00 |
| See CNP | 10/15/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because he met with a Contractor, Taylor Development, to research the electric issue. | HW | | \$ - |

| | | | | | | |
|---------|------------|---|----|------|----|--------|
| INSP | 10/29/2016 | Inspection performed as defined above. Re-secured of building due to previous break-in and replaced one non-working light fixture. | HP | 1.00 | \$ | 150.00 |
| See CNP | 11/07/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property* to inspect Leeway Wrecking's performance and progress of installing the fence barrier and mobilizing for the demolition job. Partial demolition of the building's front wall had occurred. | HW | | \$ | - |
| See CNP | 11/11/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property to inspect Leeway Wrecking's performance and progress of the demolition job. Talked with owner of adjacent property to the North next to the temporary fence to address any problem and/or concerns. | HW | | \$ | - |
| See CNP | 11/13/2016 | HP's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property first thing in the morning to inspect Leeway Wrecking's performance and progress of the demolition job. | HP | | \$ | - |
| See CNP | 11/13/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property in the evening to inspect Leeway Wrecking's performance and progress of the demolition job. | HW | | \$ | - |
| See CNP | 11/18/2016 | HW's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property to inspect Leeway Wrecking's performance and progress of the demolition job. | HW | | \$ | - |
| See CNP | 11/30/2016 | HP's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property to inspect Leeway Wrecking's performance and progress of demolition and take photos. | HP | | \$ | - |
| See CNP | 12/03/2016 | HP's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property to inspect completion and performance of demolition work and made sure street opening for water service cut-off was properly closed and leveled per City standards and took photos. There was still more work to complete. | HP | | \$ | - |
| See CNP | 12/10/2016 | HP's time at property is listed under Contract Neg&Performance (CNP) spreadsheet because arrived at property to inspect completion and performance of demolition work, proper street closure and leveling. All work was complete and satisfactory. | HP | | \$ | - |

TOTAL \$ FOR INSPECTIONS =

\$ 7,615.00

Walden Investments Group, LLC

4007 S Wabash Avenue
Chicago, IL 60653
Phone: 773-855-8575
Fax: 773-855-8578

The City of Chicago, a municipal corporation,
PLAINTIFF

Case No. 13 M 402611

v.

Re: 4300 W. Berteau, Chicago, IL

FIRST NATIONS BANK et al,
DEFENDANT(s)

For Receivership Costs - EXPENSES ("EXP")

| Task | Date | Type | Amount |
|------|------------|--|--------------|
| EXP | 09/28/2015 | Derbo Construction - Invoice # 4300Berteau - for removal of garbage/debris; boarded up doors and windows; repaired window guards; installed new padlocks; removed graffiti; installed new outside building lights, moved and secured scrap lumber. | \$ 2,800.29 |
| EXP | 12/15/2015 | Insurance - USLI/Mt Vernon Insurance - Liability Insurance. | \$ 616.00 |
| EXP | 12/31/2015 | Perception Environmental - Invoice #080-123115-001 - for asbestos abatement, air sampling, laboratory analysis of PLM samples, city of Chicago Permit Fee for Abatement Demo #574547. | \$ 9,938.00 |
| EXP | 12/28/2015 | Taylor Development, Inc. - Proposal #BERTEAU - for obtaining permits from Water Dept. and CDOT to cut municipal water utility service and seal before demolition of building. | \$ 9,024.00 |
| EXP | 01/14/2016 | Leeway Wrecking, Inc. - Contract dated 09/21/2015 and 10/15/2015 - for wrecking and removing 2-story residential bldg (8 apts and basement) and obtaining permit. | \$ 61,000.00 |
| EXP | 03/30/2016 | Weitzman & Powers, LTD. - Invoice March 2016 Billing - review contracts, court orders and consulting. | \$ 500.00 |
| EXP | 07/22/2016 | Derbo Construction - Invoice #4300Berteau 7.23 - for repair/replace 3 broken/burned out exterior lights. | \$ 275.00 |
| EXP | 10/04/2017 | Thompson Coburn LLP - Invoice #3232589 - Filing case to reduce real estate taxes. | \$ 705.36 |
| EXP | 10/19/2016 | Cook County Treasurer - Estimate of redemption for real estate taxes due. | \$ 10.00 |
| EXP | 10/26/2016 | Leeway Wrecking, Inc. - Contract Extras due to courts order to stay demolition and had to re-mobilize equipment. | \$ 2,500.00 |
| EXP | 11/02/2016 | Taylor Development, Inc. - BERTEAU - Proposal Extras due to in correct measurements given by the City of Chicago. Re-establish for CDOT permit, re-mobilize | \$ 4,470.00 |



equipment/machinery, started excavating, and needed to hire 3rd party locator service. Disconnected sewer and water to property before demolition

| | | | | |
|-----|------------|---|----|----------|
| EXP | 11/02/2016 | Taylor Development, Inc. - BERTEAU - Evaluated electrical issue at property. And coordinated to meet ComEd personnel at property. Pumped out basement and removed graffiti. | \$ | 3,915.00 |
| EXP | 11/21/2016 | ComEd - Electric service charge. | \$ | 95.58 |
| EXP | 12/22/2016 | ComEd - Electric service charge. | \$ | 47.56 |
| EXP | 01/03/2017 | ComEd - Electric service charge. | \$ | 13.51 |
| EXP | 01/16/2017 | Derbo Construction - invoice #4300Berteau - repaired neighbor's fence damaged when wrecking the building | \$ | 250.00 |
| EXP | 03/20/2017 | Staples - Copies and folders for Receivers Final Accounting Report. | \$ | 661.38 |

(A) Overhead Costs

TOTAL EXPENSES = \$ 96,821.68

Expenses Summary by Vendor

| NAME | total billed | paid | balance due |
|--------------------------|--------------|--------------|-------------|
| ComEd | \$ 156.65 | \$ 156.60 | \$ - |
| Cook County | \$ 10.00 | \$ 10.00 | \$ - |
| Derbo Construction | \$ 3,325.29 | \$ 2,985.30 | \$ 339.99 |
| USLI/Connor | \$ 616.00 | \$ 616.00 | \$ - |
| Leeway Wrecking | \$ 63,500.00 | \$ 61,000.00 | \$ 2,500.00 |
| Perception Environmental | \$ 9,938.00 | \$ 4,135.00 | \$ 5,803.00 |
| Staples | \$ 661.38 | \$ 661.38 | \$ - |
| Taylor Development | \$ 17,409.00 | \$ 12,769.00 | \$ 4,640.00 |
| Thompson Coburn | \$ 705.36 | \$ - | \$ 705.36 |
| Weitzman & Powers | \$ 500.00 | \$ - | \$ 500.00 |